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**VIA ECFS**

***EX PARTE***

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room TW-A325  
Washington, DC 20554

**Re:     *Applications Filed By Qwest Communications International Inc. And  
CenturyTel, Inc., d/b/a CenturyLink For Consent To Transfer Control,  
WC Dkt. No. 10-110***

Dear Ms. Dortch:

This letter is to inform you that Charles W. McKee, Vice President, Government Affairs Federal and State Regulatory and the undersigned met with Matt Warner, Pamela Megna, Carol Simpson, Bill Dever, Alex Johns and JeanAnn Collins of the Wireline Competition Bureau and Jim Bird of the Office of General counsel, regarding the above captioned docket.

Sprint emphasized the potential harms of the proposed transaction involving CenturyLink and Qwest. Sprint pointed out that the proposed merger is a major structural change in the industry, nearly doubling the size of Qwest, with substantial risk of harm to the competitive industry. Both Qwest and CenturyLink have consistently posted supracompetitive special access returns and both companies have Phase II special access prices that are substantially above the Phase I levels, indicating that Qwest and CenturyLink retain significant market power. The combined footprint of the two carriers will allow the new company to further leverage their control over the special access market and reduce competition.

Sprint also noted the potential harm to competitors caused by the need to negotiate new interconnection agreements with the combined entity and the risk that the new entity would simply adopt the worst practices of the two merging entities. Sprint noted that in previous mergers of this size, e.g., the AT&T/BellSouth merger, the Commission imposed merger conditions that reduced interconnection contract ("ICA") transaction costs including porting of agreement across company and state lines and extension of both existing and evergreen ICAs.

Sprint stressed that the proposed transaction cannot be viewed as being in the public interest unless the Commission imposes comprehensive, enforceable conditions to address these harms. The following proposed merger conditions were discussed:

- Reduction of Phase II special access prices to Phase I rates
- Reinstitution of a 6.5% X factor and Price Caps regulation back to 2002 for the special access bucket
- Restructure of special access term and volume agreements to allow aggregation of commitments on a national basis with a 75% revenue/volume commitment cap
- Extension of ICAs in their current term or evergreen status for 48 months
- Porting of ICAs across company and state lines
- Adoption of one ICA for the merged company with the interconnecting company choosing which ICA to adopt on a national basis
- Negotiations of future ICAs to be based on a current agreement

Finally, Sprint rejected the claim of Qwest and CenturyLink that the Iowa settlement agreement settled all of the issues of concerned parties. As has been fully articulated by other parties, the settlement agreement was, on its face, limited to Iowa and was agreed to only because of the unique jurisdictional issues in Iowa.

Please do not hesitate to contact me at (913) 315-9176 if you have any questions or concerns about this submission.

Respectfully submitted,



W. Richard Morris

cc (via email): Matt Warner  
Pamela Megna  
Carol Simpson  
Bill Dever  
Alex Johns  
Jean Ann Collins  
Jim Bird